CLASSIFICATION

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CENTRAL INTELLIGENCE AGENCY

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Finances of Communist Party of Chile

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Direct Financial Aid to the PCCh from the USSR

1. No financial aid has come directly to the PCCh from the USSR, although funds have been obtained indirectly from Russian sources through the sale in Chile of books and articles which were furnished free of charge by the Communist Party in Moscow. The PCCh received, for example, a shipment of books in Spanish published by the Institute of Foreign languages of Moscow. The books were sent in great quantities for sale throughout Chile at a relatively low price which would be within the reach of the laborer. The books which furnished the best source of revenue and had the best circulation were:

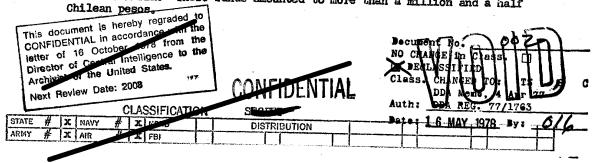
Ia Historia del Partido Comunista de la URSS

El Estado y la Revolucion, by Lenin
The complete works of Stalin, which sold for 400 pesos
The discourses of Stalin, which sold for 100 pesos

2. The PCCh also received free of charge a great quantity of sketches of world Communist leaders which were sold to the general public in various bookstores throughout the country. No other evidence of financial assistance from the Soviet Union has been uncovered.

Transfer of Funds from Foreign Communist Parties to the PCCh

3. According to source, the last transfer of funds occurred in 1933 when funds in Argentine and Uruguayan currency were sent to Chile. Since that time all Party expenses in Chile have been borne by the Chilean Party. It is alleged that funds sent by the Spanish Communist Party to the Chilean Communist Party in 1941 through Gabriel Gonzalez were stolen by Manuel Arellano Marin. These funds amounted to more than a million and a half



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Normal Finances of the PCCh

- 4. The normal funds of the Communist Party come from the following sources:
 - a. 350,000 pesos a month are received from the approximately 50,000 militants whose dues are scaled according to the salary of each.
 - b. The entire salaries of the Communist congressmen are handed over to the Party which then pays them a monthly stipend. All public employees who have been placed in their positions by the Communist Party must also hand over their salaries to the Party in return for a monthly allowance.
 - c. Before the Party was outlawed, it operated various commercial ventures such as the newspaper El Siglo, the Radio Nacion, and several printing and bookstore enterprises. This source of revenue has been cut off, since the Party has been declared illegal and the companies have been liquidated.

Directors of Finances

- 5. The regular finances of the PCCh are under the direction of Luis Valenzuela Valenzuela, who has under him as treasurer Arnulfo Rubillar, and as assistant directors, Pedro Hidalgo and Senora Haydee Alarcon. These persons are in charge of collecting dues from the militants. The majority of Party members pay their dues by purchasing stamps which are sold in the cells, and which the cells buy from the local committees, the local committees from the regional committees, who in turn purchase them from the Central Committee.
- 6. Special funds include collections from various money-raising campaigns. Cesar Godoy Urrutia has charge of these funds and his assistant is Carlos Budnevic.
- 7. Former Deputy Andres Escobar Diaz is the treasurer of Party funds and is in charge of the liquidation of commercial enterprises in which the PCCh has an interest.

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